

2013/7

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Pocket Watch – HE Funding and Priorities for 2013/14

Introduction

Nine priority areas and a budget now clearly showing the shift to the fee loan model make up this year's Grant [Letter](#) to HEFCE released this week. HEFCE's final assessment of the impact of the new fee regime introduced last year will not be complete for a month or so and even then it's not clear how much will be in the public domain but for the present, the Government has at least responded to some of the recruitment concerns by relaxing number control mechanisms for the current year

How have number controls been relaxed?

In three ways. First, as the Minister indicated last spring, by lowering the bar for the number of advanced level students that universities can freely recruit from the AAB grade threshold to ABB or equivalent. Debate continues about whether this should be further extended to BBB but for the moment this may help out those universities who failed to fill places last year partly because of a dip in the number of candidates getting top benchmark grades. Second, by continuing to encourage protection for SIVS (strategically important and vulnerable subjects) but third, and perhaps more significantly, by allowing for a bit of slack in over recruitment. In effect, universities will now be able to recruit up to 3% above their defined quota without being penalised as happened in the past. The aim is that this would increasingly be adopted as a mechanism to open up the market

What's the HE budget for 2013/14 looking like?

The Government has regularly claimed that its funding reforms will in due course provide for more money for the sector. As it stands, the Letter suggests that the teaching resource could rise from £8bn currently to £8.7bn for 2013/14 although this depends on adding together the recurrent grant for teaching, which drops to £2.8bn for 2013/14, and the estimated fee income for 2013/14, set at £5.8bn but dependent on student recruitment. Overall the total budget available through HEFCE for 2013/14 including estimated fee income is £10.8bn including noticeably an increase for the updated National Scholarship Programme and continuing commitments for research and for the HE Innovation Fund. Institutional allocations will be confirmed in late March, submissions for 2014/15 access agreements are due in early April

What other priority areas are indicated?

The Government remains keen to strengthen access to course information and outcome data for students building on the Key Information Sets now introduced and where HEFCE is conducting a wider review. It's also looking for HEFCE to complete work on developing with QAA a risk-based quality assurance system and with OFFA, a more coherent widening access strategy, due in both cases by the end of the year. Other listed priorities include working with key growth sectors identified in last autumn's Industrial Strategy, supporting science and research as well as helping implement the new Research Excellence Framework, looking at how best to publish student evaluations of teaching and learning and helping develop the rules for alternative providers to enter the system



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